



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB2975

Introduced 2/23/2011, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-185

40 ILCS 5/3-145

40 ILCS 5/7-134

from Ch. 108 1/2, par. 3-145

from Ch. 108 1/2, par. 7-134

Amends the Property Tax Extension Limitation Law of the Property Tax Code. Excludes from the definition of the term "aggregate extension" extensions made by a taxing district for contributions to a pension or retirement fund created under the Downstate Police, Downstate Fire, or IMRF Articles of the Illinois Pension Code for the first 5 taxable years after the taxing district first participates in such a system. Amends the Downstate Police and IMRF Articles of the Illinois Pension Code. Requires the referenda questions used to create a pension or retirement fund under the specified Articles to also authorize the levying of an annual tax for the purpose of participation in that fund.

LRB097 06172 JDS 46246 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5 may
8 be cited as the Property Tax Extension Limitation Law. As used
9 in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the rate
16 of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000 or
19 more inhabitants.

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties
2 contiguous to a county with 3,000,000 or more inhabitants.
3 Beginning with the 1995 levy year, "taxing district" includes
4 only each non-home rule taxing district subject to this Law
5 before the 1995 levy year and each non-home rule taxing
6 district not subject to this Law before the 1995 levy year
7 having the majority of its 1994 equalized assessed value in an
8 affected county or counties. Beginning with the levy year in
9 which this Law becomes applicable to a taxing district as
10 provided in Section 18-213, "taxing district" also includes
11 those taxing districts made subject to this Law as provided in
12 Section 18-213.

13 "Aggregate extension" for taxing districts to which this
14 Law applied before the 1995 levy year means the annual
15 corporate extension for the taxing district and those special
16 purpose extensions that are made annually for the taxing
17 district, excluding special purpose extensions: (a) made for
18 the taxing district to pay interest or principal on general
19 obligation bonds that were approved by referendum; (b) made for
20 any taxing district to pay interest or principal on general
21 obligation bonds issued before October 1, 1991; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before October 1, 1991; (d) made for any taxing district to pay
25 interest or principal on bonds issued to refund or continue to
26 refund bonds issued after October 1, 1991 that were approved by

1 referendum; (e) made for any taxing district to pay interest or
2 principal on revenue bonds issued before October 1, 1991 for
3 payment of which a property tax levy or the full faith and
4 credit of the unit of local government is pledged; however, a
5 tax for the payment of interest or principal on those bonds
6 shall be made only after the governing body of the unit of
7 local government finds that all other sources for payment are
8 insufficient to make those payments; (f) made for payments
9 under a building commission lease when the lease payments are
10 for the retirement of bonds issued by the commission before
11 October 1, 1991, to pay for the building project; (g) made for
12 payments due under installment contracts entered into before
13 October 1, 1991; (h) made for payments of principal and
14 interest on bonds issued under the Metropolitan Water
15 Reclamation District Act to finance construction projects
16 initiated before October 1, 1991; (i) made for payments of
17 principal and interest on limited bonds, as defined in Section
18 3 of the Local Government Debt Reform Act, in an amount not to
19 exceed the debt service extension base less the amount in items
20 (b), (c), (e), and (h) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum; (j) made for payments of principal and interest on
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; (k) made by a school district that participates in
25 the Special Education District of Lake County, created by
26 special education joint agreement under Section 10-22.31 of the

1 School Code, for payment of the school district's share of the
2 amounts required to be contributed by the Special Education
3 District of Lake County to the Illinois Municipal Retirement
4 Fund under Article 7 of the Illinois Pension Code; the amount
5 of any extension under this item (k) shall be certified by the
6 school district to the county clerk; (l) made to fund expenses
7 of providing joint recreational programs for the handicapped
8 under Section 5-8 of the Park District Code or Section 11-95-14
9 of the Illinois Municipal Code; (m) made for temporary
10 relocation loan repayment purposes pursuant to Sections 2-3.77
11 and 17-2.2d of the School Code; (n) made for payment of
12 principal and interest on any bonds issued under the authority
13 of Section 17-2.2d of the School Code; ~~and~~ (o) made for
14 contributions to a firefighter's pension fund created under
15 Article 4 of the Illinois Pension Code, to the extent of the
16 amount certified under item (5) of Section 4-134 of the
17 Illinois Pension Code; and (p) made for contributions to a
18 pension or retirement fund created under Article 3, 4, or 7 of
19 the Illinois Pension Code for the first 5 taxable years after
20 the taxing district first participates in the pension or
21 retirement system created, by referendum or otherwise, under
22 that Article.

23 "Aggregate extension" for the taxing districts to which
24 this Law did not apply before the 1995 levy year (except taxing
25 districts subject to this Law in accordance with Section
26 18-213) means the annual corporate extension for the taxing

1 district and those special purpose extensions that are made
2 annually for the taxing district, excluding special purpose
3 extensions: (a) made for the taxing district to pay interest or
4 principal on general obligation bonds that were approved by
5 referendum; (b) made for any taxing district to pay interest or
6 principal on general obligation bonds issued before March 1,
7 1995; (c) made for any taxing district to pay interest or
8 principal on bonds issued to refund or continue to refund those
9 bonds issued before March 1, 1995; (d) made for any taxing
10 district to pay interest or principal on bonds issued to refund
11 or continue to refund bonds issued after March 1, 1995 that
12 were approved by referendum; (e) made for any taxing district
13 to pay interest or principal on revenue bonds issued before
14 March 1, 1995 for payment of which a property tax levy or the
15 full faith and credit of the unit of local government is
16 pledged; however, a tax for the payment of interest or
17 principal on those bonds shall be made only after the governing
18 body of the unit of local government finds that all other
19 sources for payment are insufficient to make those payments;
20 (f) made for payments under a building commission lease when
21 the lease payments are for the retirement of bonds issued by
22 the commission before March 1, 1995 to pay for the building
23 project; (g) made for payments due under installment contracts
24 entered into before March 1, 1995; (h) made for payments of
25 principal and interest on bonds issued under the Metropolitan
26 Water Reclamation District Act to finance construction

1 projects initiated before October 1, 1991; (h-4) made for
2 stormwater management purposes by the Metropolitan Water
3 Reclamation District of Greater Chicago under Section 12 of the
4 Metropolitan Water Reclamation District Act; (i) made for
5 payments of principal and interest on limited bonds, as defined
6 in Section 3 of the Local Government Debt Reform Act, in an
7 amount not to exceed the debt service extension base less the
8 amount in items (b), (c), and (e) of this definition for
9 non-referendum obligations, except obligations initially
10 issued pursuant to referendum and bonds described in subsection
11 (h) of this definition; (j) made for payments of principal and
12 interest on bonds issued under Section 15 of the Local
13 Government Debt Reform Act; (k) made for payments of principal
14 and interest on bonds authorized by Public Act 88-503 and
15 issued under Section 20a of the Chicago Park District Act for
16 aquarium or museum projects; (l) made for payments of principal
17 and interest on bonds authorized by Public Act 87-1191 or
18 93-601 and (i) issued pursuant to Section 21.2 of the Cook
19 County Forest Preserve District Act, (ii) issued under Section
20 42 of the Cook County Forest Preserve District Act for
21 zoological park projects, or (iii) issued under Section 44.1 of
22 the Cook County Forest Preserve District Act for botanical
23 gardens projects; (m) made pursuant to Section 34-53.5 of the
24 School Code, whether levied annually or not; (n) made to fund
25 expenses of providing joint recreational programs for the
26 handicapped under Section 5-8 of the Park District Code or

1 Section 11-95-14 of the Illinois Municipal Code; (o) made by
2 the Chicago Park District for recreational programs for the
3 handicapped under subsection (c) of Section 7.06 of the Chicago
4 Park District Act; (p) made for contributions to a
5 firefighter's pension fund created under Article 4 of the
6 Illinois Pension Code, to the extent of the amount certified
7 under item (5) of Section 4-134 of the Illinois Pension Code;
8 ~~and~~ (q) made by Ford Heights School District 169 under Section
9 17-9.02 of the School Code; and (r) made for contributions to a
10 pension or retirement fund created under Article 3, 4, or 7 of
11 the Illinois Pension Code for the first 5 taxable years after
12 the taxing district first participates in the pension or
13 retirement system created, by referendum or otherwise, under
14 that Article.

15 "Aggregate extension" for all taxing districts to which
16 this Law applies in accordance with Section 18-213, except for
17 those taxing districts subject to paragraph (2) of subsection
18 (e) of Section 18-213, means the annual corporate extension for
19 the taxing district and those special purpose extensions that
20 are made annually for the taxing district, excluding special
21 purpose extensions: (a) made for the taxing district to pay
22 interest or principal on general obligation bonds that were
23 approved by referendum; (b) made for any taxing district to pay
24 interest or principal on general obligation bonds issued before
25 the date on which the referendum making this Law applicable to
26 the taxing district is held; (c) made for any taxing district

1 to pay interest or principal on bonds issued to refund or
2 continue to refund those bonds issued before the date on which
3 the referendum making this Law applicable to the taxing
4 district is held; (d) made for any taxing district to pay
5 interest or principal on bonds issued to refund or continue to
6 refund bonds issued after the date on which the referendum
7 making this Law applicable to the taxing district is held if
8 the bonds were approved by referendum after the date on which
9 the referendum making this Law applicable to the taxing
10 district is held; (e) made for any taxing district to pay
11 interest or principal on revenue bonds issued before the date
12 on which the referendum making this Law applicable to the
13 taxing district is held for payment of which a property tax
14 levy or the full faith and credit of the unit of local
15 government is pledged; however, a tax for the payment of
16 interest or principal on those bonds shall be made only after
17 the governing body of the unit of local government finds that
18 all other sources for payment are insufficient to make those
19 payments; (f) made for payments under a building commission
20 lease when the lease payments are for the retirement of bonds
21 issued by the commission before the date on which the
22 referendum making this Law applicable to the taxing district is
23 held to pay for the building project; (g) made for payments due
24 under installment contracts entered into before the date on
25 which the referendum making this Law applicable to the taxing
26 district is held; (h) made for payments of principal and

1 interest on limited bonds, as defined in Section 3 of the Local
2 Government Debt Reform Act, in an amount not to exceed the debt
3 service extension base less the amount in items (b), (c), and
4 (e) of this definition for non-referendum obligations, except
5 obligations initially issued pursuant to referendum; (i) made
6 for payments of principal and interest on bonds issued under
7 Section 15 of the Local Government Debt Reform Act; (j) made
8 for a qualified airport authority to pay interest or principal
9 on general obligation bonds issued for the purpose of paying
10 obligations due under, or financing airport facilities
11 required to be acquired, constructed, installed or equipped
12 pursuant to, contracts entered into before March 1, 1996 (but
13 not including any amendments to such a contract taking effect
14 on or after that date); (k) made to fund expenses of providing
15 joint recreational programs for the handicapped under Section
16 5-8 of the Park District Code or Section 11-95-14 of the
17 Illinois Municipal Code; (l) made for contributions to a
18 firefighter's pension fund created under Article 4 of the
19 Illinois Pension Code, to the extent of the amount certified
20 under item (5) of Section 4-134 of the Illinois Pension Code;
21 ~~and~~ (m) made for the taxing district to pay interest or
22 principal on general obligation bonds issued pursuant to
23 Section 19-3.10 of the School Code; and (n) made for
24 contributions to a pension or retirement fund created under
25 Article 3, 4, or 7 of the Illinois Pension Code for the first 5
26 taxable years after the taxing district first participates in

1 the pension or retirement system created, by referendum or
2 otherwise, under that Article.

3 "Aggregate extension" for all taxing districts to which
4 this Law applies in accordance with paragraph (2) of subsection
5 (e) of Section 18-213 means the annual corporate extension for
6 the taxing district and those special purpose extensions that
7 are made annually for the taxing district, excluding special
8 purpose extensions: (a) made for the taxing district to pay
9 interest or principal on general obligation bonds that were
10 approved by referendum; (b) made for any taxing district to pay
11 interest or principal on general obligation bonds issued before
12 the effective date of this amendatory Act of 1997; (c) made for
13 any taxing district to pay interest or principal on bonds
14 issued to refund or continue to refund those bonds issued
15 before the effective date of this amendatory Act of 1997; (d)
16 made for any taxing district to pay interest or principal on
17 bonds issued to refund or continue to refund bonds issued after
18 the effective date of this amendatory Act of 1997 if the bonds
19 were approved by referendum after the effective date of this
20 amendatory Act of 1997; (e) made for any taxing district to pay
21 interest or principal on revenue bonds issued before the
22 effective date of this amendatory Act of 1997 for payment of
23 which a property tax levy or the full faith and credit of the
24 unit of local government is pledged; however, a tax for the
25 payment of interest or principal on those bonds shall be made
26 only after the governing body of the unit of local government

1 finds that all other sources for payment are insufficient to
2 make those payments; (f) made for payments under a building
3 commission lease when the lease payments are for the retirement
4 of bonds issued by the commission before the effective date of
5 this amendatory Act of 1997 to pay for the building project;
6 (g) made for payments due under installment contracts entered
7 into before the effective date of this amendatory Act of 1997;
8 (h) made for payments of principal and interest on limited
9 bonds, as defined in Section 3 of the Local Government Debt
10 Reform Act, in an amount not to exceed the debt service
11 extension base less the amount in items (b), (c), and (e) of
12 this definition for non-referendum obligations, except
13 obligations initially issued pursuant to referendum; (i) made
14 for payments of principal and interest on bonds issued under
15 Section 15 of the Local Government Debt Reform Act; (j) made
16 for a qualified airport authority to pay interest or principal
17 on general obligation bonds issued for the purpose of paying
18 obligations due under, or financing airport facilities
19 required to be acquired, constructed, installed or equipped
20 pursuant to, contracts entered into before March 1, 1996 (but
21 not including any amendments to such a contract taking effect
22 on or after that date); (k) made to fund expenses of providing
23 joint recreational programs for the handicapped under Section
24 5-8 of the Park District Code or Section 11-95-14 of the
25 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
26 firefighter's pension fund created under Article 4 of the

1 Illinois Pension Code, to the extent of the amount certified
2 under item (5) of Section 4-134 of the Illinois Pension Code;
3 and (m) made for contributions to a pension or retirement fund
4 created under Article 3, 4, or 7 of the Illinois Pension Code
5 for the first 5 taxable years after the taxing district first
6 participates in the pension or retirement system created, by
7 referendum or otherwise, under that Article.

8 "Debt service extension base" means an amount equal to that
9 portion of the extension for a taxing district for the 1994
10 levy year, or for those taxing districts subject to this Law in
11 accordance with Section 18-213, except for those subject to
12 paragraph (2) of subsection (e) of Section 18-213, for the levy
13 year in which the referendum making this Law applicable to the
14 taxing district is held, or for those taxing districts subject
15 to this Law in accordance with paragraph (2) of subsection (e)
16 of Section 18-213 for the 1996 levy year, constituting an
17 extension for payment of principal and interest on bonds issued
18 by the taxing district without referendum, but not including
19 excluded non-referendum bonds. For park districts (i) that were
20 first subject to this Law in 1991 or 1995 and (ii) whose
21 extension for the 1994 levy year for the payment of principal
22 and interest on bonds issued by the park district without
23 referendum (but not including excluded non-referendum bonds)
24 was less than 51% of the amount for the 1991 levy year
25 constituting an extension for payment of principal and interest
26 on bonds issued by the park district without referendum (but

1 not including excluded non-referendum bonds), "debt service
2 extension base" means an amount equal to that portion of the
3 extension for the 1991 levy year constituting an extension for
4 payment of principal and interest on bonds issued by the park
5 district without referendum (but not including excluded
6 non-referendum bonds). A debt service extension base
7 established or increased at any time pursuant to any provision
8 of this Law, except Section 18-212, shall be increased each
9 year commencing with the later of (i) the 2009 levy year or
10 (ii) the first levy year in which this Law becomes applicable
11 to the taxing district, by the lesser of 5% or the percentage
12 increase in the Consumer Price Index during the 12-month
13 calendar year preceding the levy year. The debt service
14 extension base may be established or increased as provided
15 under Section 18-212. "Excluded non-referendum bonds" means
16 (i) bonds authorized by Public Act 88-503 and issued under
17 Section 20a of the Chicago Park District Act for aquarium and
18 museum projects; (ii) bonds issued under Section 15 of the
19 Local Government Debt Reform Act; or (iii) refunding
20 obligations issued to refund or to continue to refund
21 obligations initially issued pursuant to referendum.

22 "Special purpose extensions" include, but are not limited
23 to, extensions for levies made on an annual basis for
24 unemployment and workers' compensation, self-insurance,
25 contributions to pension plans, and extensions made pursuant to
26 Section 6-601 of the Illinois Highway Code for a road

1 district's permanent road fund whether levied annually or not.
2 The extension for a special service area is not included in the
3 aggregate extension.

4 "Aggregate extension base" means the taxing district's
5 last preceding aggregate extension as adjusted under Sections
6 18-135, 18-215, and 18-230. An adjustment under Section 18-135
7 shall be made for the 2007 levy year and all subsequent levy
8 years whenever one or more counties within which a taxing
9 district is located (i) used estimated valuations or rates when
10 extending taxes in the taxing district for the last preceding
11 levy year that resulted in the over or under extension of
12 taxes, or (ii) increased or decreased the tax extension for the
13 last preceding levy year as required by Section 18-135(c).
14 Whenever an adjustment is required under Section 18-135, the
15 aggregate extension base of the taxing district shall be equal
16 to the amount that the aggregate extension of the taxing
17 district would have been for the last preceding levy year if
18 either or both (i) actual, rather than estimated, valuations or
19 rates had been used to calculate the extension of taxes for the
20 last levy year, or (ii) the tax extension for the last
21 preceding levy year had not been adjusted as required by
22 subsection (c) of Section 18-135.

23 "Levy year" has the same meaning as "year" under Section
24 1-155.

25 "New property" means (i) the assessed value, after final
26 board of review or board of appeals action, of new improvements

1 or additions to existing improvements on any parcel of real
2 property that increase the assessed value of that real property
3 during the levy year multiplied by the equalization factor
4 issued by the Department under Section 17-30, (ii) the assessed
5 value, after final board of review or board of appeals action,
6 of real property not exempt from real estate taxation, which
7 real property was exempt from real estate taxation for any
8 portion of the immediately preceding levy year, multiplied by
9 the equalization factor issued by the Department under Section
10 17-30, including the assessed value, upon final stabilization
11 of occupancy after new construction is complete, of any real
12 property located within the boundaries of an otherwise or
13 previously exempt military reservation that is intended for
14 residential use and owned by or leased to a private corporation
15 or other entity, and (iii) in counties that classify in
16 accordance with Section 4 of Article IX of the Illinois
17 Constitution, an incentive property's additional assessed
18 value resulting from a scheduled increase in the level of
19 assessment as applied to the first year final board of review
20 market value. In addition, the county clerk in a county
21 containing a population of 3,000,000 or more shall include in
22 the 1997 recovered tax increment value for any school district,
23 any recovered tax increment value that was applicable to the
24 1995 tax year calculations.

25 "Qualified airport authority" means an airport authority
26 organized under the Airport Authorities Act and located in a

1 county bordering on the State of Wisconsin and having a
2 population in excess of 200,000 and not greater than 500,000.

3 "Recovered tax increment value" means, except as otherwise
4 provided in this paragraph, the amount of the current year's
5 equalized assessed value, in the first year after a
6 municipality terminates the designation of an area as a
7 redevelopment project area previously established under the
8 Tax Increment Allocation Development Act in the Illinois
9 Municipal Code, previously established under the Industrial
10 Jobs Recovery Law in the Illinois Municipal Code, previously
11 established under the Economic Development Project Area Tax
12 Increment Act of 1995, or previously established under the
13 Economic Development Area Tax Increment Allocation Act, of each
14 taxable lot, block, tract, or parcel of real property in the
15 redevelopment project area over and above the initial equalized
16 assessed value of each property in the redevelopment project
17 area. For the taxes which are extended for the 1997 levy year,
18 the recovered tax increment value for a non-home rule taxing
19 district that first became subject to this Law for the 1995
20 levy year because a majority of its 1994 equalized assessed
21 value was in an affected county or counties shall be increased
22 if a municipality terminated the designation of an area in 1993
23 as a redevelopment project area previously established under
24 the Tax Increment Allocation Development Act in the Illinois
25 Municipal Code, previously established under the Industrial
26 Jobs Recovery Law in the Illinois Municipal Code, or previously

1 established under the Economic Development Area Tax Increment
2 Allocation Act, by an amount equal to the 1994 equalized
3 assessed value of each taxable lot, block, tract, or parcel of
4 real property in the redevelopment project area over and above
5 the initial equalized assessed value of each property in the
6 redevelopment project area. In the first year after a
7 municipality removes a taxable lot, block, tract, or parcel of
8 real property from a redevelopment project area established
9 under the Tax Increment Allocation Development Act in the
10 Illinois Municipal Code, the Industrial Jobs Recovery Law in
11 the Illinois Municipal Code, or the Economic Development Area
12 Tax Increment Allocation Act, "recovered tax increment value"
13 means the amount of the current year's equalized assessed value
14 of each taxable lot, block, tract, or parcel of real property
15 removed from the redevelopment project area over and above the
16 initial equalized assessed value of that real property before
17 removal from the redevelopment project area.

18 Except as otherwise provided in this Section, "limiting
19 rate" means a fraction the numerator of which is the last
20 preceding aggregate extension base times an amount equal to one
21 plus the extension limitation defined in this Section and the
22 denominator of which is the current year's equalized assessed
23 value of all real property in the territory under the
24 jurisdiction of the taxing district during the prior levy year.
25 For those taxing districts that reduced their aggregate
26 extension for the last preceding levy year, the highest

1 aggregate extension in any of the last 3 preceding levy years
2 shall be used for the purpose of computing the limiting rate.
3 The denominator shall not include new property or the recovered
4 tax increment value. If a new rate, a rate decrease, or a
5 limiting rate increase has been approved at an election held
6 after March 21, 2006, then (i) the otherwise applicable
7 limiting rate shall be increased by the amount of the new rate
8 or shall be reduced by the amount of the rate decrease, as the
9 case may be, or (ii) in the case of a limiting rate increase,
10 the limiting rate shall be equal to the rate set forth in the
11 proposition approved by the voters for each of the years
12 specified in the proposition, after which the limiting rate of
13 the taxing district shall be calculated as otherwise provided.
14 (Source: P.A. 95-90, eff. 1-1-08; 95-331, eff. 8-21-07; 95-404,
15 eff. 1-1-08; 95-876, eff. 8-21-08; 96-501, eff. 8-14-09;
16 96-517, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1202, eff.
17 7-22-10.)

18 Section 10. The Illinois Pension Code is amended by
19 changing Sections 3-145 and 7-134 as follows:

20 (40 ILCS 5/3-145) (from Ch. 108 1/2, par. 3-145)
21 Sec. 3-145. Referendum in municipalities less than 5,000.
22 (a) This Article shall not be effective in any municipality
23 having a population of less than 5,000 unless the proposition
24 to adopt the Article is submitted to and approved by the voters

1 of the municipality in the manner herein provided.

2 Whenever the electors of the municipality, equal in number
3 to 5% of the number of legal votes cast at the last preceding
4 general municipal election, petition the city, village or town
5 clerk to submit the proposition whether that municipality shall
6 adopt this Article, the officer to whom the petition is
7 addressed shall certify the proposition to the proper election
8 officials who shall submit the proposition in accordance with
9 the general election law at a regular election in the
10 municipality provided that notice of the referendum, if held
11 before July 1, 1999, has been given in accordance with the
12 provisions of Section 12-5 of the Election Code in effect at
13 the time of the bond referendum, at least 10 and not more than
14 45 days before the date of the election, notwithstanding the
15 time for publication otherwise imposed by Section 12-5. Notices
16 required in connection with the submission of public questions
17 on or after July 1, 1999 shall be as set forth in Section 12-5
18 of the Election Code. If the proposition is not adopted at that
19 election, it may be submitted in like manner at any regular
20 election thereafter. The proposition shall be substantially in
21 the following form:

22 Shall the (name of the municipality) adopt Article 3 of
23 the Illinois Pension Code, providing for a police pension
24 fund and the levying of an annual tax therefor?

1 The vote must be recorded as "Yes" or "No".

2 _____

3 ~~Shall the city (or village or~~
4 ~~incorporated town) of.... adopt _____ YES~~

5 ~~Article 3 of the "Illinois Pension _____~~

6 ~~Code", pertaining to the creation _____ NO~~

7 ~~of a police pension fund?~~

8 _____

9 If a majority of the votes cast on the proposition is for
10 the proposition, this Article is adopted in that municipality.

11 (b) For a period of 60 days after the effective date of
12 this amendatory Act of the 96th General Assembly, if a
13 municipality having a population of less than 5,000 has adopted
14 this Article in accordance with the provisions of subsection
15 (a), the municipality may elect to terminate participation
16 under this Article if all of the following conditions are met:

17 (1) An independent auditor certifies that the fund
18 created under this Article has no liabilities and there are
19 no members or participants in the fund and no beneficiaries
20 entitled to benefits under the fund.

21 (2) The corporate authorities of the municipality, by
22 ordinance, approve the closing of the fund.

23 If the conditions of this subsection (b) are met and the
24 closed fund contains assets, those assets shall be transferred
25 to the municipality for its general corporate purposes.

26 If a municipality that terminates participation under this

1 Article in accordance with this subsection (b) wants to
2 reinstate the fund, then the proposition to re-adopt the
3 Article must be submitted to and approved by the voters of the
4 municipality in the manner provided in subsection (a).

5 (Source: P.A. 96-216, eff. 8-10-09.)

6 (40 ILCS 5/7-134) (from Ch. 108 1/2, par. 7-134)

7 Sec. 7-134. Municipality referendum and notice of election
8 to participate. (a) A municipality electing to be included
9 within this Article by referendum shall hold such referendum
10 within the territory of the municipality following the filing
11 of a written petition of at least 300 legal voters or at least
12 1% of the legal voters of the municipality, whichever is less.
13 The question shall be certified to the proper election
14 officials, who shall submit the question to the voters at an
15 election in accordance with the general election law. If a
16 majority of the voters who vote upon this question vote for
17 inclusion of the municipality, notice of the election to be
18 included shall be given as provided in this section and the
19 municipality shall thereupon be so included.

20 The proposition shall be in substantially the following
21 form:

22 Shall the (name of the municipality) adopt Article 7 of
23 the Illinois Pension Code, pertaining to participation in
24 the Illinois Municipal Retirement Fund and the levying of

1 an annual tax therefor?

2 The vote must be recorded as "Yes" or "No".

3 _____

4 ~~Shall the.... (here name the~~
5 ~~municipality or municipalities in which~~ YES
6 ~~the question is being voted upon) be~~
7 ~~included within the provisions of Article~~ _____
8 ~~7 of the Illinois Pension Code, as~~
9 ~~amended, pertaining to the creation of the~~ NO
10 ~~"Illinois Municipal Retirement Fund"?~~

11 _____

12 Where the boundaries of 2 or more municipalities are
13 coextensive, one ballot is sufficient for all municipalities
14 specified in the ballot.

15 (b) A municipality electing to participate shall within 10
16 days after the election submit to the board a certified notice
17 of the election to participate. The notice shall:

- 18 1. Be in writing,
- 19 2. Indicate the date of the election,
- 20 3. Specify all the instrumentalities of the municipality,
- 21 4. Be officially certified by the clerk or other proper
- 22 official of the municipality as having been duly made in
- 23 accordance with the provisions of this Article.

24 (Source: P.A. 81-1535.)